

CENTRAL OF GEORGIA RAILWAY COMPANY

*The
Right
Way*

1962
68th ANNUAL REPORT

FOR YEAR ENDED DECEMBER 31,

BOARDS
MRB

6652.0973
C3292

BOARD OF DIRECTORS

ALLISON W. LEDBETTER, Chairman
Rome, Georgia

JAMES M. BARRY, Birmingham, Ala.

EARLE F. BIDEZ, Savannah, Ga.

FRANK E. BONE, Milledgeville, Ga.

ERLE COCKE, Atlanta, Ga.

DONALD COMER, Birmingham, Ala.

WILLIAM E. DILLARD, Savannah, Ga.

ROBERT W. GROVES, Savannah, Ga.

JAMES T. HARRIGAN, New York, N. Y.

BERNARD D. HELMKEN, Savannah, Ga.

CHARLES C. HERTWIG, Macon, Ga.

JULIAN T. HIGHTOWER, Thomaston, Ga.

THOMAS M. JOHNSON, Savannah, Ga.

EARL KNUDSEN, Pittsburgh, Pa.

JACK J. McDONOUGH, Atlanta, Ga.

WALTER C. SCOTT, Savannah, Ga.

MARTIN L. TRESSEL, Pittsburgh, Pa.

D. ABBOTT TURNER, Columbus, Ga.

EXECUTIVE COMMITTEE

ALLISON W. LEDBETTER
Chairman

W. E. DILLARD

J. T. HARRIGAN

J. J. McDONOUGH

D. A. TURNER

THE STAFF

W. E. DILLARD, President and
General Manager, Savannah, Ga.

E. F. BIDEZ, Executive Vice President
Savannah, Ga.

E. C. JONES, Vice President
Savannah, Ga.

W. P. HAYNES, Comptroller
Savannah, Ga.

JOHN B. MILLER, General Counsel
Savannah, Ga.

B. D. HELMKEN, Secretary
Savannah, Ga.

M. M. McLAUGHLIN, Assistant Secretary
Savannah, Ga.

W. H. SAFFOLD, Treasurer
Savannah, Ga.

**CENTRAL
OF GEORGIA
RAILWAY COMPANY**

**HIGHLIGHTS OF INCOME ACCOUNT AND
OPERATING STATISTICS**

	1962	1961	1960	1959	1958
Operating Revenues	\$ 43,582,526	\$ 41,985,555	\$ 41,798,258	\$ 44,156,250	\$ 42,557,534
Operating Expenses	\$ 38,754,046	\$ 36,333,818	\$ 36,952,594	\$ 37,002,286	\$ 36,464,890
Operating Ratio (Expenses to Revenues)	88.92	86.54	88.41	83.80	85.68
Taxes	\$ 3,293,467	\$ 3,196,725	\$ 3,325,423	\$ 3,215,775	\$ 2,595,070
Income Available for Fixed Charges	\$ 2,371,442	\$ 2,530,040	\$ 2,459,432	\$ 4,474,211	\$ 4,281,662
Fixed Charges	\$ 1,405,090	\$ 1,470,156	\$ 1,523,158	\$ 1,564,873	\$ 1,675,882
Times Fixed Charges Earned	1.69	1.72	1.61	2.86	2.55
Other Deductions (Contingent Interest)	\$ 569,970	\$ 573,548	\$ 582,186	\$ 595,658	\$ 604,113
Net Income After Fixed Charges and Other Deductions	\$ 396,382	\$ 486,336	\$ 354,088	\$ 2,313,680	\$ 2,001,667
Shares of Capital Stock Outstanding as of End of Year:					
Preferred Stock	170,394	170,394	170,394	170,394	170,417
Common Stock	337,242	337,242	337,242	337,242	337,242
Miles of Road Operated at End of Year	1,744	1,747	1,745	1,745	1,763
Tons of Revenue Freight Hauled (Thousands)	19,962	18,749	18,478	18,998	16,863
Revenue Ton Miles (Thousands)	3,239,784	3,151,526	3,135,529	3,284,775	3,050,093
Average Revenue Per Ton Mile	\$.0122	\$.0121	\$.0120	\$.0123	\$.0125
Passengers Carried	301,344	303,950	315,485	316,975	328,432
Passengers One Mile (Thousands)	50,592	51,368	52,583	53,615	56,767
Revenue Per Passenger Mile	\$.0283	\$.0275	\$.0270	\$.0264	\$.0255
Average Number of Employees	3,231	3,216	3,421	3,529	3,678
Total All Wages	\$ 21,013,754	\$ 19,678,668	\$ 20,263,474	\$ 20,895,381	\$ 20,474,996

MAR 25 1963 A

TO OUR STOCKHOLDERS

A report of the operations of your Company for the year 1962 is submitted herewith.

The upward trend in freight traffic and revenues that began in 1961 continued during 1962 through the 8-month period ended August 31, at which time total operating revenues had increased \$2,014,285 over the same period of 1961. However, in September and thereafter through the remaining months of 1962, the favorable trend in revenues was reversed and at year-end the increase in revenues had shrunk to \$1,596,971 or 3.80 percent over 1961.

Total railway operating expenses for 1962 was \$38,754,046, an increase of \$2,420,228 or 6.66 percent over 1961. A part of this increase was the result of increases in wage rates and fringe benefits of non-operating and yard service employees, but the necessity for increased maintenance allotments to offset, as far as possible, the deferred maintenance in track, structures and equipment which resulted from curtailment of maintenance expenditures during the two preceding years was the principal cause of the increase in operating expense. Details of the increases in expenses are set forth in the report.

Net income after fixed and contingent charges for 1962 was \$396,382, a decrease of \$89,954 under 1961. However, the income for 1962 was bolstered by dividend and interest payments received from subsidiary companies aggregating \$699,700, whereas no such payments were received from subsidiaries in 1961.

Cash flow consisting of net income \$396,382 and cash from depreciation accruals and retirement losses charged against income \$3,110,857 totaled \$3,507,239, but maturities of equipment obligations \$2,887,248, unfunded capital expenditures \$1,678,337 and sinking fund requirements \$129,567 totalling \$4,695,152 exceeded the cash flow from operations by \$1,187,913. This cash deficiency was to a large extent offset by sale of Georgia Ports Authority revenue certificates to Ocean Steamship Company of Savannah, a wholly owned subsidiary, for a cash consideration of \$1,162,162.

No dividend has been declared on the Preferred or Common stock with respect to the years 1960, 1961 and 1962 and consequently there is now an accumulation of unpaid dividends of \$15.00 per share on the Preferred stock which is the maximum accumulation that can accrue on such stock.

The long term debt of your Company was reduced \$3,043,548 during 1962 by the retirement of \$156,300 of mortgage bonds under the sinking fund provisions of the First and General Mortgages and payments of maturities on Equipment Obligations previously referred to amounting to \$2,887,248.

Capital expenditures during 1962 included the cost of constructing 4.78 miles of main line track connecting the main tracks of Central of Georgia and the Savannah & Atlanta Railway. New 115# welded ribbon rail with new fastenings, new creosoted ties and rock ballast were used as this track is now a part of Central's main line from Savannah to Macon, Ga., which is used by both Central of Georgia and Savannah & Atlanta trains. Beginning September 1, 1962 all Central of Georgia and Savannah & Atlanta trains operating in and out of Savannah use jointly the Savannah & Atlanta line from Savannah to Ardmore, a distance of about 33 miles, and all Savannah & Atlanta trains use Central of Georgia line between Ardmore and Waynesboro, Ga., a distance of about 60 miles. The construction of this connecting track and joint use of Savannah & Atlanta and Central of Georgia main tracks enabled Central to abandon about 35 miles of its Savannah District main line and Savannah & Atlanta to abandon about 36 miles of its main line between Sylvania and Waynesboro, Ga. Thus the maintenance of approximately 71 miles of main track will be saved in future years and the joint use of about 93 miles of main track will effect further economies for both Central and Savannah & Atlanta.

About 22 track miles of the rail recovered from abandonment of a portion of the Savannah District main line was cropped, straightened, welded into ribbon rail and relaid in main tracks on other parts of the system releasing worn rail of equal or lighter section weight.

Construction of the new high level bridge over the Chattahoochee River at Eufaula which was started in 1960 was completed and put into use on June 1, 1962.

The continued interest of industry in the area served by your Company is evidenced by the location of thirty-five new industries and distribution warehouses on our lines during 1962. Some of the larger firms represented are United States Rubber Company tire manufacturing plant, Opelika, Ala.; Union Bag-Camp Paper Corporation container plant, Forest Park, Ga.; W. T. Grant Company warehouse and Southern Nitrogen Company storage facility at Albany, Ga.; E. I. Du Pont de Nemours, Inc. plant at Westover (near Augusta), Ga.; Penn-Dixie Cement Company storage facility at Savannah, Ga.; Atlantic Company cold storage warehouse, Atlanta, Ga.; and Capital City Warehouse Company at Forest Park, Ga. Prospects for continued industrial expansion in our territory during 1963 are most encouraging.

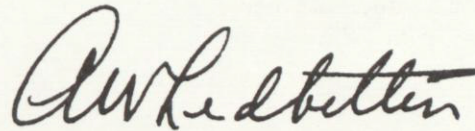
The handling of trailers on flat cars and movement of new automobiles on multi-level rack cars continued to increase during 1962, a total of 7407 cars of such traffic producing freight revenue of \$635,713 having been handled during the year.

The Interstate Commerce Commission, by report dated November 7, 1962 and by order dated December 3, 1962, authorized Southern Railway Company to acquire stock control of Central of Georgia Railway Company and its subsidiaries, subject to specified conditions. One of the conditions is "that within thirty (30) days from the date of consummation of the transaction the Southern Railway Company shall offer (by notice mailed to each stockholder at his last known address) to purchase at the prices hereinbefore set forth any and all shares of the capital stock of the Central of Georgia Railway Company which may be tendered to it within ninety (90) days after the date of the mailing of such notice." The prices referred to in the quoted section of the report are \$81.69 per share for the Preferred and \$54.29 per share for the Common.

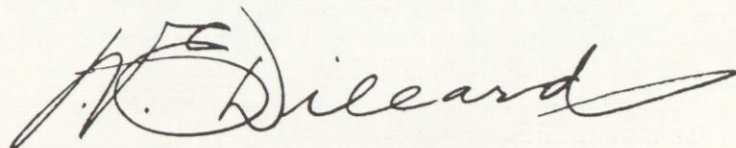
The Commission also imposed very comprehensive and costly labor protective provisions.

A petition for reconsideration was filed on January 4, 1963 by the Railway Labor Executives' Association opposing the control and in the alternate seeking even more comprehensive and costly labor protective conditions. On the same date Southern Railway and Central of Georgia filed a joint petition seeking modification and clarification of the labor protective conditions. The final decision of the Commission is expected in the near future; however, further indefinite delay could result if any party seeks to nullify or modify the Commission's final decision by proceedings in the federal courts.

We again express our appreciation for the loyalty and cooperation of your Company's shareholders, patrons, employees and officers.



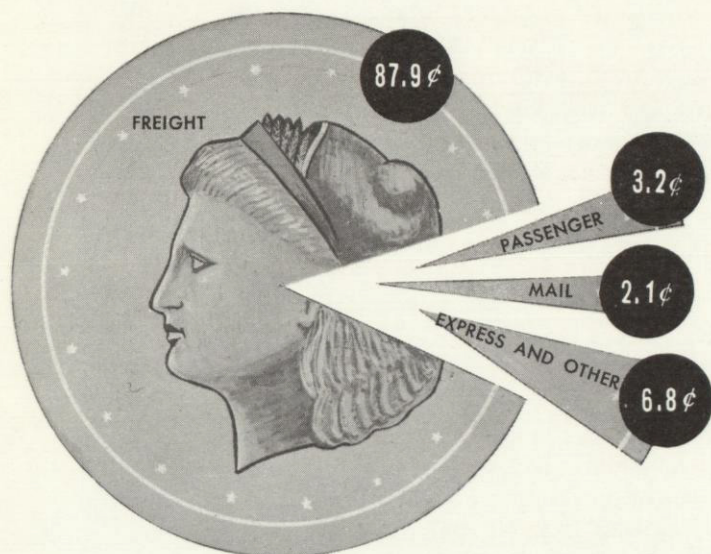
A. W. LEDBETTER,
Chairman of the Board



W. E. DILLARD,
President

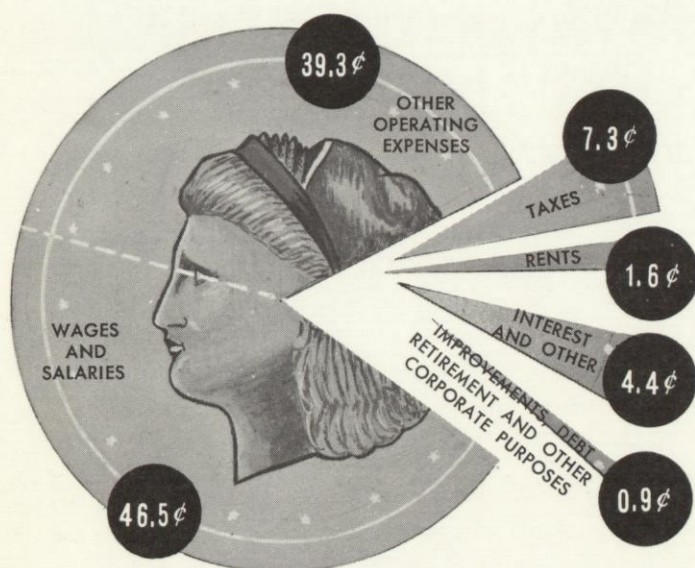
March 15, 1963

REVENUE AND EARNINGS



Freight Revenue	\$39,676,895
Passenger Revenue	1,431,547
Mail Revenue	951,732
Express Revenue	463,237
All Other Revenues	1,059,115
Other Income	1,555,140
Total	\$45,137,666

EXPENDITURES



Operating Expenses:	
Wages and Salaries	\$21,013,754
Other Operating Expenses	17,740,292
Taxes	3,293,467
Net Equipment and Joint Facility Rents	525,821
Miscellaneous Rents, Taxes and Income Charges	192,890
Bond Interest	432,641
Interest—Equipment and Other Obligations	945,424
Other Charges	27,025
Interest—Income Bonds	569,970
Improvements, Debt Retirement and Other Corporate Purposes	396,382
Total	\$45,137,666

THE REPORT FOR 1962

OPERATING REVENUES

Revenues received in 1962 from the transportation of freight, passengers, mail, express and other services were \$43,582,526. This was an increase of \$1,596,971 or 3.80% over the preceding year. The increases were \$1,582,141—4.15% in freight revenue; \$17,230—1.22% in passenger revenue; \$23,920—2.58% in mail revenue and \$45,900—9.23% in miscellaneous revenues. The decreases were \$53,265—10.31% in express revenue and \$18,955—3.54% in switching revenue.

A graphic illustration of the sources of Central's revenue dollar will be found on Page 4 of this report.

FREIGHT TRAFFIC

Freight revenue was \$39,676,895 against \$38,094,754 for the previous year, an increase of \$1,582,141. Loaded freight cars handled during 1962 totaled 486,915, an increase of 4.98% over the previous year, and there was an increase of 2.80% in ton miles of revenue freight. Revenue per ton mile in 1962 was 1.22¢ compared with 1.21¢ in 1961.

Following is a tabulation of gross freight revenue for 1962 compared with 1961. These figures are shown without adjustment for absorptions or corrections.

	Year 1962	Year 1961
Products of Agriculture.....	\$ 3,614,378	\$ 3,448,947
Animals and Products.....	288,558	361,816
Products of Mines.....	11,885,987	11,617,477
Products of Forest.....	4,849,496	4,410,757
Manufactures and Miscellaneous.....	20,101,793	19,299,496
Forwarder Traffic.....	214,134	187,938
Total Carload Freight.....	\$40,954,346	\$39,326,431
Less than Carload Freight.....	418,965	494,714
TOTAL.....	\$41,373,311	\$39,821,145

PASSENGER TRAFFIC

Revenue derived from transportation of passengers during 1962 was \$1,431,547 compared with \$1,414,317 for the previous year, an increase of \$17,230. Passenger service train revenues totaled \$3,008,800, a decrease of \$18,044 compared with the previous year.

Statistically, the average miles per passenger in 1962 was 167.9 compared with 169 for the year 1961. The average revenue per passenger mile in 1962 was 2.83¢ compared with 2.75¢ in 1961. Passenger train miles in 1962 were 732,673, a decrease of 1,840 compared with 1961.

OPERATING EXPENSES

Total operating expenses for 1962 amounted to \$38,754,046. This was an increase of \$2,420,228 or 6.66% over the preceding year. This increase was caused by increase in wages, prices of material and increased expenditures for maintenance of tracks, structures and equipment, made necessary by severe curtailment of maintenance allotments during the two preceding years.

Maintenance of way accounts, other than depreciation and retirements, increased \$946,121.

Maintenance of equipment accounts, other than depreciation and retirements, increased \$815,379.

Traffic expenses increased \$26,999.

Transportation expenses increased \$404,196 and is summarized by services as follows:

	1962	1961	+Increase —Decrease
Supervision	\$ 762,889	\$ 735,199	+\$ 27,690
Station Service	1,894,791	1,925,718	— 30,927
Yard Service	5,712,488	5,142,527	+ 569,961
Train Service—Passenger..	1,325,175	1,347,071	— 21,896
Train Service—Freight...	5,789,200	5,891,736	— 102,536
Miscellaneous	831,916	731,937	+ 99,979
Casualties	1,236,657	1,134,631	+ 102,026
Joint Facilities	688,067	928,168	— 240,101
	\$18,241,183	\$17,836,987	+\$404,196

The decrease in station service was due mainly to discontinuance of unnecessary station agencies.

The increase in yard service was caused by the increase in traffic, wage rates, and switching at Coosa Pines, Ala. and at storage yard which serves Union Bag-Camp Paper Corporation at Savannah which services rotate on an annual basis among three railroads, and Central served its turn in 1962. Yard employees' agreement consummated during December, 1962 awarded an increase in pay of 2½% effective July 1, 1960, and 2½% effective March 1, 1961. The miscellaneous expense increase was due to employees' health and welfare benefits and insurance premiums. The increase in casualties was due principally to the increase in payments for loss and damage freight claims and personal injuries. The decrease in train service-freight was due mainly to decrease in train supplies and expenses. The decrease in joint facilities was the result of credits from bills against other railroads for switching services at Coosa Pines, Ala. and Union Bag-Camp Paper Corporation at Savannah, Ga. which offset, in part, the increase in Yard Service expenses.

The decrease in general expenses was caused by a reduction in employees, insurance premiums and other expenses relative thereto.

Detail of increases and decreases by individual accounts will be found in Table No. 4, Pages 14-16.

TAXES

Total taxes for the year 1962 amounted to \$3,293,467 and comparison with 1961 is as follows:

	Year 1962	Year 1961
Railroad Retirement Tax.....	\$1,166,097	\$1,076,482
Railroad Unemployment Insurance Tax.....	643,377	598,018
State, County, Municipal Taxes.....	1,198,585	1,241,269
Sales and Miscellaneous Taxes.....	285,408	280,956
	<u>\$3,293,467</u>	<u>\$3,196,725</u>

The increases in railroad retirement and unemployment taxes were mainly caused by increases in rates of these taxes.

No accrual of Federal or State income taxes was included in accounts for 1962 due to special deductions available for tax purposes. Deductions for the excess of amortization of defense facilities over recorded depreciation for tax purposes have been completely exhausted, and for the year 1962 the straight-line depreciation recorded in the accounts but not allowable for tax purposes due to the equipment now being fully amortized, creates a credit of \$260,860 that must be added back to any income exposed to Federal Income Tax. However, the additional depreciation deductions available under the new Guideline Life System of depreciation is far in excess of the above credit. In addition, large unused loss carry-overs from prior years are available.

Tax credits arising from loss carry-overs from previous years and the new Guideline Rules for depreciation afford large unused tax credits to Central and in order to save Federal Income Taxes that would be payable by subsidiary companies a Consolidated Federal Income Tax Return for 1962 will be filed showing no taxable income for Central and its subsidiaries as a group.

LONG TERM DEBT

Long Term Debt decreased during the year \$3,043,548 as follows:

Retirement of Bonds through First and General	
Mortgage Bonds Sinking Fund Provisions:	
First Mortgage Bonds.....	\$ 87,100
General Mortgage Bonds.....	69,200
Payments on Equipment Obligations	
(details on Page 19)	2,887,248
Decrease in Long Term Debt.....	<u>\$3,043,548</u>

ADDITIONS AND BETTERMENTS

Gross expenditures for improvements chargeable to Capital Account during 1962 totaled \$1,678,337. These charges were partially offset by credits for retirements aggregating \$1,111,418, the net result being an increase in capital account, including investments in leased property, of \$566,919.

EQUIPMENT

There were no expenditures for new equipment during 1962. The principal capital account expenditures for additions and improvements were the application of flat maintaining brake valve modifications to twelve locomotives; seven Alco 244 engines were upgraded to Model 244-RH-3, and twelve EMD 12 or 16 cylinder diesel engine units exchanged for the latest type "C" conversions. During the year eighteen cabooses were refurbished; seventy-five double door box cars were upgraded and five passenger coaches were given heavy repairs.

TRACKS

Relay rail was laid in 15.19 miles of main track, replacing rail of lighter section, and 7.80 miles replaced worn rail of the same section. A total of 22.99 track miles was laid during the year. 22.11 track miles of the above rail laid were relay welded ribbon rail.

Eight company tracks were constructed or extended, aggregating 9.55 miles, and thirty-seven company tracks were removed or shortened, aggregating 10.19 miles. The net decrease was 0.64 mile.

The net increase in industrial tracks was 1.94 miles as follows:

- 36 tracks were constructed or extended, aggregating 4.41 miles
- 20 tracks were removed or shortened, aggregating 2.47 miles

The following crossties were used during the year:

- 294,447 new treated crossties—renewals
- 27,395 new treated crossties—new tracks

ROADWAY EQUIPMENT

The following roadway equipment was acquired during the year:

- 3— $\frac{3}{4}$ -ton stake body trucks
- 2—1-ton pick-up trucks
- 1—truck with cab
- 1—Four-door sedan
- 2— $\frac{1}{2}$ -ton panel trucks
- 1—Dragline Machine
- 1—Fairmont Model A-5 Series "C" Motor Car
- 1—Fairmont Model A-5 Series "E" Motor Car
- 2—Track bolt Wrenching Machines
- 2—Track tie renewal machines

BRIDGES AND BUILDINGS

Installed additional sprinkler heads in warehouses at Macon, Georgia.

Constructed radio repair shop and office for Mechanical Department at Columbus, Georgia.

One combination through truss and deck plate girder bridge, 884 feet long, was completed across the Chattahoochee River at Eufaula, Alabama in cooperation with U. S. Government due to the construction of Walter F. George Lock and Dam at Fort Gaines, Georgia.

COMMUNICATIONS

Installed four automobile radios.

46 Walkie Talkie sets were replaced.

Additional telephone circuits were installed between Savannah and Macon and direct dialing between Savannah, Macon and Atlanta was inaugurated.

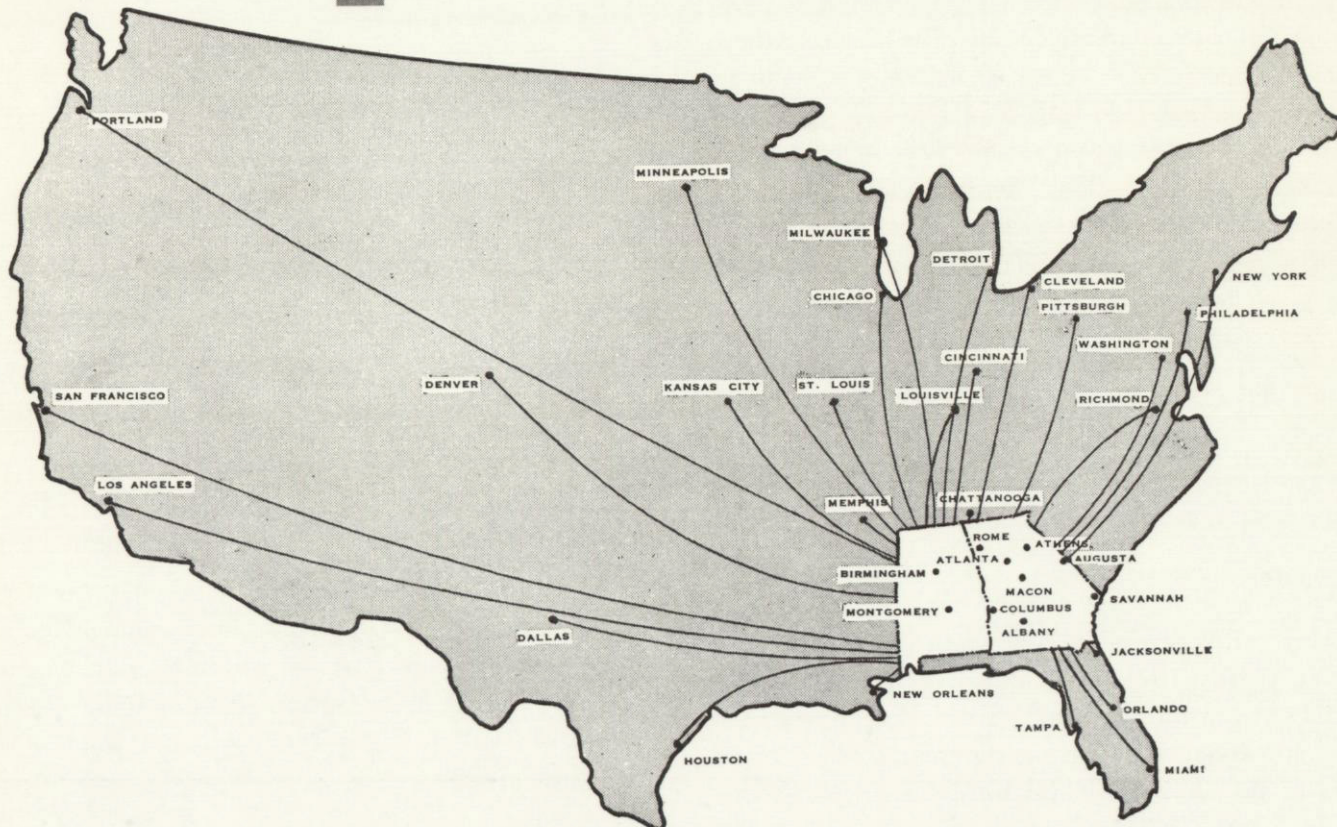
SIGNALS

3 Spring switches were installed.

8 automatic railway-highway grade crossing signals were installed, two with short arm gates and six without gates.

CENTRAL OF GEORGIA RAILWAY COMPANY

LOCATIONS OF FREIGHT AND PASSENGER SERVICE REPRESENTATIVES



Call, phone or write our nearest Representative for information. He will gladly assist you in every way possible with your shipping and travel problems.

ALBANY—
500 N. Washington St.,
Telephone 436-7278
Assistant General Freight Agent

ATHENS—
105 Mitchell St.,
Telephone Liberty 6-8238
District Freight Agent

ATLANTA—
Terminal Station
Telephone Jackson 2-8181
Division Passenger Agent
181 Alabama St., S. W., Telephone Plaza 8-7551
Asst. Freight Traffic Manager

AUGUSTA—
204-206 Marion Building, 739 Broad Street, Telephone 724-4343
Division Freight Agent

BIRMINGHAM—
621 Brown-Marx Bldg., 2000 First Ave., North
Telephone Alpine 1-6231
District Passenger Agent
601-606 Brown-Marx Bldg., First Avenue and
20th St., Telephone FAirfax 4-5661
Asst. Freight Traffic Manager

BOSTON—
47 Donna Road
South Weymouth, 90, Mass.
Telephone EDgewater 7-3357
New England Agent

CHATTANOOGA—
1478 Market St., Telephone AMherst 5-3123
Division Freight Agent

CHICAGO—
658 Marquette Bldg., 140 So. Dearborn St.,
Telephone DEarborn 2-5566
Western Traffic Manager

CINCINNATI—
923-24 Federal Reserve Bank Building, 105 West Fourth Street,
Telephone 621-0036
General Agent

CLEVELAND—
1016 Terminal Tower Bldg., 50 Public Square,
Telephone 861-2395
General Agent

COLUMBUS—
Union Passenger Station, 12th St. and 6th Ave.,
Telephones FAirfax 3-3462, 3-3658
Division Passenger Agent
12th St. and 7th Ave., Telephone FAirfax 2-0645
Assistant General Freight Agent

DALLAS—
1415 Tower Petroleum Bldg.,
1907 Elm St., Telephone RIVERSIDE 7-0590
General Agent

DENVER—
6176 South Adams Drive, Littleton, Colorado
Telephone 798-2002
Commercial Agent

DETROIT—
816 Book Building, 1249 Washington Blvd.,
Telephone WOODward 2-3515
Central Western Agent

HOUSTON—
P. O. Box 61269
Commercial Agent

JACKSONVILLE—
1014 Florida Title Bldg., 110 W. Forsyth St.,
Telephone ELgin 3-3177
Florida Freight Agent

KANSAS CITY—
810 Fairfax Bldg., 101 West 11th Street,
Telephone VICTOR 2-3937
General Agent

LOS ANGELES—
5101 Walnut Street, Apartment C
Bell, California
Telephone 582-1380
Freight Traffic Representative

LOUISVILLE—
645 Sparks Bldg., 455 So. 4th St.,
Telephone JUniper 5-5701
General Agent

MACON—
101 Terminal Station, Telephone SHerwood 5-6531
Division Passenger Agent
109 Terminal Station, Telephone SHerwood 5-6531
Asst. Freight Traffic Manager

MEMPHIS—
819 Sterick Bldg., 3rd Street
and Madison Avenue
Telephone JACKSON 6-8033
General Agent

MIAMI—
708 Ingraham Building, 25 Southeast Second Avenue
Telephone FRanklin 1-5519
Florida Freight Agent

MILWAUKEE—
1420 Majestic Bldg., 231 W. Wisconsin Ave.
Telephone BRoadway 2-4165
General Agent

MINNEAPOLIS—
610 Rand Tower, 527 Marquette Ave.,
Telephone FEderal 8-1775
General Agent

MONTGOMERY—
609-11 First National Bank Bldg.,
8 Commerce St., Telephone 265-6726
Division Freight Agent

NASHVILLE—
4717 West Longdale Drive, Telephone VERNON 2-8358
Commercial Agent

NEW ORLEANS—
1832 National Bank of Commerce Bldg.,
210 Baronne St., Telephone JACKSON 5-2974
General Agent

NEW YORK—
1370 Woolworth Building, 233 Broadway,
Telephone WOOrth 2-5252
Eastern Traffic Manager
Foreign Frt. Agent

ORLANDO—
714 One North Orange Building
Telephone GARDen 2-6557
Florida Freight Agent

PHILADELPHIA—
1920 Philadelphia National Bank Building,
Telephone LOcus 7-6016
General Agent

PITTSBURGH—
1338 Oliver Bldg., Mellon Square,
Telephone ATLantic 1-2055
General Agent

PORTLAND—
831 Terminal Sales Bldg., 1220 S. W. Morrison St.,
Telephone 223-0996
General Agent

RICHMOND—
307 Broad Street Station
Telephone 355-2190
General Agent

ROME—
17 E. 2nd Ave., Telephone 238-4978
District Freight Agent

ST. LOUIS—
850-53 Cotton Belt Bldg., 408 Pine Street,
Telephone CHestnut 1-7868
General Agent

SAN FRANCISCO—
347 Monadnock Bldg., 681 Market Street,
Telephone DOuglas 2-7124
General Agent

SAVANNAH—
301 West Broad St., Telephone ADams 2-5517
General Passenger Agent
233 West Broad St., Telephone ADams 2-6159
Assistant Freight Traffic Manager

TAMPA—
504 First National Bank Bldg., 215 Madison St.,
Telephone 229-6416
General Agent

WASHINGTON—
227 Shoreham Bldg., 15th and H Sts., N. W.,
Telephone EXecutive 3-8202
General Agent

ACCOUNTANTS' OPINION

HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

TWO BROADWAY
NEW YORK 4

To the Stockholders,

Central of Georgia Railway Company:

We have examined the balance sheet of Central of Georgia Railway Company as of December 31, 1962 and the related statements of income and of retained income (Tables 1, 2, and 3) for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and the related statements of income and retained income (Tables 1, 2, and 3) present fairly the financial position of the Company at December 31, 1962 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Haskins & Sells

February 15, 1963.

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INCOME STATEMENT

For the Years Ended December 31, 1962 and 1961

TABLE 1

Accounts	1962	1961
Average miles operated	1,746	1,745
Railway Operating Revenues:		
Rail Line Transportation:		
Freight	\$39,676,895	\$38,094,754
Passenger	1,431,547	1,414,317
Mail	951,732	927,812
Express	463,237	516,502
Switching	515,952	534,907
Other	4,973	5,191
Total rail line transportation revenue	43,044,336	41,493,483
Incidental Operating Revenue	508,946	462,737
Joint Facility Operating Revenue	29,244	29,335
Total railway operating revenues	43,582,526	41,985,555
Railway Operating Expenses:		
Maintenance of way and structures	7,575,158	6,603,911
Maintenance of equipment	8,480,332	7,333,035
Traffic	2,092,978	2,065,979
Transportation—rail line	18,241,183	17,836,987
Miscellaneous operations	208,045	229,653
General	2,156,350	2,264,253
Total railway operating expenses	38,754,046	36,333,818
Net revenue from railway operations	4,828,480	5,651,737
Railway Tax Accruals:		
Federal income taxes (Note 1)		
State income taxes		
Payroll taxes	1,809,474	1,674,500
Other taxes	1,483,993	1,522,225
Total railway tax accruals	3,293,467	3,196,725
Railway operating income	1,535,013	2,455,012
Rent Income:		
Rent from locomotives	155,452	159,162
Rent from passenger-train cars	431,893	466,364
Rent from work equipment	12,579	10,171
Joint facility rent income	244,358	184,827
Total rent income	844,282	820,524
Gross railway operating income	2,379,295	3,275,536
Rents Payable:		
Hire of freight cars	420,332	698,412
Rent for locomotives	124,464	122,203
Rent for passenger-train cars	397,539	398,359
Rent for work equipment	32,304	2,097
Joint facility rents	395,464	363,119
Total rents payable	1,370,103	1,584,190
Net railway operating income	1,009,192	1,691,346
Other Income:		
Income from lease of road and equipment	36,600	36,600
Miscellaneous rent income	114,906	100,698
Income from nonoperating property	48,758	72,724
Dividend income (See page 2)	505,089	2,977
Interest income (See Page 2)	405,455	236,270
Miscellaneous income:		
From contract work for others	259,928	318,200
Profit on bonds reacquired, sale of land, etc.	184,404	111,131
Total other income	1,555,140	878,600
Total income—carried forward	\$ 2,564,332	\$ 2,569,946

INCOME STATEMENT (Concluded)**TABLE 1**

For the Years Ended December 31, 1962 and 1961

Accounts	1962	1961
Total income—brought forward.....	\$ 2,564,332	\$ 2,569,946
Miscellaneous Deductions from Income:		
Miscellaneous rents	83	83
Miscellaneous tax accruals	9,020	8,811
Loss from sale of Georgia Ports Authority Central Waterfront Terminal Revenue Bonds.....	127,838	
Other items.....	55,949	31,012
Total miscellaneous deductions.....	192,890	39,906
Income available for fixed charges.....	2,371,442	2,530,040
Fixed Charges:		
Rent for leased roads and equipment	11,206	9,371
Interest on funded debt:		
Mortgage bonds	432,641	435,280
Equipment obligations and notes	945,424	1,008,279
Amortization of discount on funded debt	15,819	17,226
Total fixed charges.....	1,405,090	1,470,156
Income after fixed charges	966,352	1,059,884
Other Deductions:		
Contingent interest	569,970	573,548
Net Income (See Page 2).....	\$ 396,382	\$ 486,336

STATEMENT OF RETAINED INCOME**TABLE 2**

For the Year Ended December 31, 1962

CREDIT BALANCE January 1, 1962.....	\$17,254,147
CREDITS:	
Net income for the year.....	396,382
Adjustment of 1953 accounting for sale of air rights at Savannah, Ga.....	98,201
Total.....	17,748,730
DEBITS:	
Retirement of additions and betterments subsequent to July 1, 1948 of 35 miles of main line and appurtenances on Savannah Division	52,548
CREDIT BALANCE December 31, 1962.....	\$17,696,182

See Notes on Pages 12 and 13

BALANCE SHEET

December 31, 1962 and 1961

TABLE 3

Assets	1962	1961
Current Assets:		
Cash.....	\$ 2,571,192	\$ 3,143,761
Temporary cash investments	4,729,815	3,628,007
Special deposits	463,210	436,143
Loans and notes receivable	112,930	477
Net balance receivable from agents and conductors	727,603	678,734
Miscellaneous accounts receivable	1,221,034	1,435,832
Interest and dividends receivable	247,807	32,784
Accrued accounts receivable	921,232	831,848
Working fund advances	30,365	35,865
Prepayments	34,188	72,819
Material and supplies	2,671,496	2,716,819
Other current assets	59,389	63,305
Total current assets	13,790,261	13,076,394
Special Funds:		
Sinking funds	66	630
Capital and other reserve funds	96,411	164,399
Total special funds	96,477	165,029
Investments—Principally at cost (Page 17):		
Affiliated companies	14,142,180	14,385,745
Other	641,764	1,842,231
Total investments	14,783,944	16,227,976
Properties:		
Road and equipment.....	138,611,076	138,059,142
Improvements on leased property.....	300,706	285,721
Total transportation property.....	138,911,782	138,344,863
Less accrued depreciation and amortization.....	46,853,728	44,406,683
Total transportation property less recorded depreciation and amortization.....	92,058,054	93,938,180
Miscellaneous physical property (less recorded depreciation of \$197,226 in 1962 and \$210,591 in 1961).....	1,632,992	1,664,592
Total properties less recorded depreciation and amortization.....	93,691,046	95,602,772
Other Assets and Deferred Charges:		
Other assets	284,491	254,585
Unamortized discount on long term debt.....	103,772	116,775
Other deferred charges	887,195	582,267
Total other assets and deferred charges	1,275,458	953,627
Total Assets	\$123,637,186	\$126,025,798

NOTES:

1. The provisions of the Uniform System of Accounts for Railroad Companies prescribed by the Interstate Commerce Commission vary from generally accepted accounting principles in that, under the Uniform System, no accounting recognition is given to the possible effect on income taxes in future years of current reductions in income taxes resulting from the deductions (net) for amortization and depreciation of property for income tax purposes in excess of those recorded in the accounts. Such deductions did not have a material effect on net income for 1962 and 1961.

The cumulative amount of such reductions in income taxes at December 31, 1962 was \$9,449,379. For additional information concerning income taxes see page 6.

2. The current cost of renewals of parts and maintenance of the track structure is charged to maintenance expense, and additions and betterments to the structure are capitalized. Provision for depreciation has been made as to other classes of transportation property. Charges for these operating costs are summarized as follows:

	1962	1961
Provision for depreciation of road and equipment.....	\$ 3,006,755	\$ 3,031,884
Renewals and maintenance of track structure.....	3,909,296	3,263,581
Total.....	\$ 6,916,051	\$ 6,295,465

BALANCE SHEET

December 31, 1962 and 1961

TABLE 3

Liabilities and Shareholders' Equity	1962	1961
Current Liabilities:		
Traffic and car-service balances.....	\$ 759,040	\$ 1,079,014
Audited accounts and wages payable.....	1,285,031	1,069,552
Miscellaneous accounts payable.....	587,213	589,506
Interest matured unpaid.....	278,783	280,804
Unmatured interest accrued.....	841,136	875,673
Accrued accounts payable.....	2,771,449	2,248,835
Federal income tax accrued (Note 1).....		
Other taxes accrued.....	255,907	233,077
Other current liabilities.....	547,102	523,545
Total current liabilities (excludes long term debt due within one year).....	7,325,661	6,900,006
Long Term Debt Due Within One Year:		
Equipment obligations (Page 18).....	2,788,299	2,827,119
Sinking fund requirements—First and General Mortgage Bonds.....	129,632	130,197
Total long term debt due within one year.....	2,917,931	2,957,316
Total current liabilities and long term debt due within one year.....	10,243,592	9,857,322
Long Term Debt (Due After One Year) (Page 18):		
First Mortgage 4% Bonds, Series A, due January 1, 1995.....	10,730,034	10,817,133
General Mortgage 4½% Income Bonds:		
Series A, due January 1, 2020	55,834	124,470
Series B, due January 1, 2020	12,539,800	12,539,800
Equipment obligations.....	17,755,034	20,603,462
Amounts payable to affiliated companies—Open account.....	2,934,500	2,934,500
Total long term debt (due after one year).....	44,015,202	47,019,365
Reserves:		
For self insurance.....	33,086	
Other Liabilities and Deferred Credits:		
Other liabilities.....	103,316	215,073
Other deferred credits.....	316,598	477,041
Accrued depreciation—Leased property	456,448	430,088
Total other liabilities and deferred credits.....	876,362	1,122,202
Shareholders' Equity:		
Capital Stock:		
Preferred 5% (\$100 par value).....	17,039,400	17,039,400
Common (without par value).....	33,724,200	33,724,200
Total capital stock.....	50,763,600	50,763,600
Capital Surplus—Paid in.....	9,162	9,162
Retained Income.....	17,696,182	17,254,147
Total shareholders' equity	68,468,944	68,026,909
Total Liabilities and Shareholders' Equity.....	\$123,637,186	\$126,025,798

NOTES:

3. Preferred stock dividends are cumulative for a period of three years. At December 31, 1962 three years have accumulated and such unpaid dividends amounted to \$2,555,910.

4. The Company is liable as guarantor (jointly and severally with other railroads) for the principal and interest of \$582,000 First Mortgage, Series A, 4% Bonds of Atlanta Terminal Company, and \$1,366,000 First Mortgage, 5% Bonds of Macon Terminal Company.

The Company, as owner of 2.7027% of the capital stock of Trailer Train Company, is obligated, together with other proprietary companies, to advance to Trailer Train Company such sums as may be needed by that Company to pay principal and interest of certain of its outstanding obligations. At December 31, 1962, the total of such obligations was \$112,217,107.

The Company carries a service interruption policy under which it will be entitled to indemnity for certain work-stoppage losses. In the event such losses are sustained by other railroads holding similar policies, the Company may be obligated to pay additional premiums, subject to a maximum premium of approximately \$545,000.

At December 31, 1962 the Company is committed to purchase 100 wood chip cars and 5 covered hopper cars at a cost of approximately \$1,338,000.

DETAIL OF RAILWAY OPERATING EXPENSES

TABLE 4

Accounts	Year Ended December 31		+ Increase — Decrease	
	1962	1961		
Maintenance of Way and Structures:				
Superintendence	\$ 757,515	\$ 725,178	\$+	32,337
Roadway maintenance	457,610	452,301	+	5,309
Tunnels and subways	24	27	—	3
Bridges, trestles and culverts	144,144	105,883	+	38,261
Ties—Switch and bridge	76,834	44,762	+	32,072
Ties—Cross	1,032,820	886,831	+	145,989
Rails	15,780	10,301	+	5,479
Other track material	494,762	439,341	+	55,421
Ballast	308,303	281,930	+	26,373
Track laying and surfacing	1,980,797	1,600,417	+	380,380
Fences, snowsheds and signs	12,936	5,305	+	7,631
Station and office buildings	216,254	141,732	+	74,522
Roadway buildings	4,607	1,381	+	3,226
Water stations		78	—	78
Fuel stations	8,496	8,471	+	25
Shops and enginehouses	62,824	59,384	+	3,440
Communication systems	203,369	200,002	+	3,367
Signals and interlockers	152,743	138,304	+	14,439
Power plants	339	47	+	292
Power-transmission systems	2,578	4,253	—	1,675
Roadway machines	396,122	411,840	—	15,718
Dismantling retired road property	65,755	23,047	+	42,708
Small tools and supplies	206,285	181,130	+	25,155
Removing snow, ice and sand	502	340	+	162
Public improvements—Maintenance	87,998	59,063	+	28,935
Injuries to persons	36,000	36,000		
Insurance	19,978	18,275	+	1,703
Stationery and printing	15,768	11,623	+	4,145
Employees health and welfare benefits	172,467		+	172,467
Other expenses	952	155,155	—	154,203
Maint'g. Jt. Tr., Yds. and other Fac.—Dr.	184,219	159,015	+	25,204
Maint'g. Jt. Tr., Yds. and other Fac.—Cr.	157,528	146,284	+	11,244
Total Expended	6,961,253	6,015,132	+	946,121
Road property—depreciation	509,803	551,838	—	42,035
Retirements—road—not replaced	104,102	36,941	+	67,161
Total Maintenance of Way and Structures	7,575,158	6,603,911	+	971,247
Maintenance of Equipment:				
Superintendence	350,321	351,425	—	1,104
Shop machinery	70,357	76,198	—	5,841
Power plant machinery	4,125	13,425	—	9,300
Other locomotives—Passenger—Repairs	259,239	233,464	+	25,775
Other locomotives—Freight—Repairs	1,695,572	1,534,976	+	160,596
Other locomotives—Switching—Repairs	338,635	270,377	+	68,258
Freight-train cars—Repairs	2,494,168	2,039,515	+	454,653
Passenger-train cars—Repairs	372,844	268,298	+	104,546
Work equipment—Repairs	45,121	49,637	—	4,516
Miscellaneous equipment—Repairs	115,249	90,106	+	25,143
Dismantling retired equipment	12,583	33,361	—	20,778
Injuries to persons	54,000	54,000		
Insurance	97,403	93,715	+	3,688
Stationery and printing	7,303	8,234	—	931
Carried Forward	\$5,916,920	\$5,116,731	\$+	800,189

DETAIL OF RAILWAY OPERATING EXPENSES (Continued)

TABLE 4

Accounts	Year Ended December 31		+ Increase — Decrease
	1962	1961	
Maintenance of Equipment—(Concluded)			
Brought Forward	\$ 5,916,920	\$ 5,116,731	\$+ 800,189
Employees health and welfare benefits	149,122	145,918	+ 149,122
Other expenses	13,084	16,980	— 132,834
Joint maintenance of equip't. expenses—Dr.	22,742	55,427	+ 5,762
Joint maintenance of equip't. expenses—Cr.	62,287		+ 6,860
Total expended	6,039,581	5,224,202	+ 815,379
Shop and power plant machinery—			
Depreciation	40,241	41,381	— 1,140
Retirements—Equipment	Cr. 56,201	Cr. 371,213	— 315,012
Equipment—Depreciation	2,456,711	2,438,665	+ 18,046
Total Maintenance of Equipment	8,480,332	7,333,035	+ 1,147,297
Traffic:			
Superintendence	468,918	453,972	+ 14,946
Outside agencies	1,351,474	1,341,582	+ 9,892
Advertising	29,723	37,777	— 8,054
Traffic associations	43,119	46,568	— 3,449
Industrial and immigration bureaus	73,657	80,570	— 6,913
Insurance	3,370	4,160	— 790
Stationery and printing	85,267	81,538	+ 3,729
Employees health and welfare benefits	36,850		+ 36,850
Other expenses	600	19,812	— 19,212
Total Traffic	2,092,978	2,065,979	+ 26,999
Transportation—Rail Line:			
Superintendence	547,786	523,650	+ 24,136
Dispatching trains	215,103	211,550	+ 3,553
Station employees	1,676,996	1,704,700	— 27,704
Weighing, inspn. and demurrage bureaus	85,589	87,027	— 1,438
Station supplies and expenses	132,206	133,991	— 1,785
Yardmasters and yard clerks	993,591	969,778	+ 23,813
Yard conductors and brakemen	2,712,640	2,381,438	+ 331,202
Yard switch and signal tenders	100,102	88,727	+ 11,375
Yard enginemen	1,414,525	1,256,477	+ 158,048
Yard switching fuel	198,412	175,996	+ 22,416
Lubricants for yard locomotives	34,745	28,738	+ 6,007
Other supplies for yard locomotives	14,334	12,511	+ 1,823
Enginehouse expenses—Yard	137,758	128,064	+ 9,694
Yard supplies and expenses	106,381	100,798	+ 5,583
Operating joint yards and terminals—Dr.	1,259,504	1,316,057	— 56,553
Operating joint yards and terminals—Cr.	571,156	427,379	+ 143,777
Passenger enginemen	312,861	310,380	+ 2,481
Freight enginemen	1,319,696	1,296,454	+ 23,242
Train fuel—Passenger	270,579	279,291	— 8,712
Train fuel—Freight	1,373,228	1,408,441	— 35,213
Lubricants for passenger locomotives	26,372	25,320	+ 1,052
Lubricants for freight locomotives	174,698	163,298	+ 11,400
Other supplies for passenger locomotives	10,924	10,756	+ 168
Other supplies for freight locomotives	72,084	71,002	+ 1,082
Enginehouse expenses—Passenger	99,749	106,427	— 6,678
Enginehouse expenses—Freight	361,358	332,998	+ 28,360
Passenger trainmen	338,774	345,631	— 6,857
Freight trainmen	1,765,647	1,721,827	+ 43,820
Train supplies and expenses—Passenger	228,447	234,901	— 6,454
Train supplies and expenses—Freight	722,489	897,716	— 175,227
Signal and interlocker operation	160,261	149,295	+ 10,966
Crossing protection	41,227	41,512	— 285
Carried Forward	\$16,336,910	\$16,087,372	\$+ 249,538

DETAIL OF RAILWAY OPERATING EXPENSES (Concluded)

TABLE 4

Accounts	Year Ended December 31		+ Increase — Decrease
	1962	1961	
Transportation-Rail Line—(Concluded)			
Brought Forward	\$16,336,910	\$16,087,372	\$+ 249,538
Drawbridge operation.....	179	.....	+ 179
Communication system operation.....	143,713	139,144	+ 4,569
Employees health and welfare benefits.....	194,100	.....	+ 194,100
Stationery and printing	93,899	102,258	— 8,359
Other expenses	31,397	176,166	— 144,769
Operating joint tracks and fac.—Dr.	36,748	79,488	— 42,740
Operating joint tracks and fac.—Cr.	37,029	39,999	— 2,970
Insurance	167,140	123,562	+ 43,578
Clearing wrecks	206,792	184,740	+ 22,052
Damage to property	57,856	75,674	— 17,818
Damage to live stock on right-of-way	1,771	3,821	— 2,050
Loss and damage—Freight	550,000	480,000	+ 70,000
Loss and damage—Baggage	238	396	— 158
Injuries to persons	420,000	390,000	+ 30,000
Operating sleeping cars.....	37,469	34,365	+ 3,104
Total Transportation—Rail Line	18,241,183	17,836,987	+ 404,196
Miscellaneous Operations:			
Dining and buffet service.....	207,670	229,653	— 21,983
Employees health and welfare benefits.....	375	.....	+ 375
Total Miscellaneous Operations	208,045	229,653	— 21,608
General:			
Salaries and expenses of general officers	297,343	304,923	— 7,580
Salaries and exps. of clerks and attendants	1,176,600	1,183,121	— 6,521
General office supplies and expenses	172,020	153,190	+ 18,830
Law expenses	163,030	184,009	— 20,979
Insurance	24,669	49,582	— 24,913
Employees health and welfare benefits.....	70,843	.....	+ 70,843
Pensions and group insurance	70,974	152,195	— 81,221
Stationery and printing	60,630	61,307	— 677
Valuation expenses .....	.....	Cr. 3	+ 3
Other expenses	108,221	163,644	— 55,423
General joint facilities—Dr.	12,258	12,507	— 249
General joint facilities—Cr.	238	222	+ 16
Total General.....	2,156,350	2,264,253	— 107,903
Recapitulation			
Maintenance of way and structures	7,575,158	6,603,911	+ 971,247
Maintenance of equipment	8,480,332	7,333,035	+ 1,147,297
Traffic	2,092,978	2,065,979	+ 26,999
Transportation—rail line	18,241,183	17,836,987	+ 404,196
Miscellaneous operations	208,045	229,653	— 21,608
General	2,156,350	2,264,253	— 107,903
Total Railway Operating Expenses	\$38,754,046	\$36,333,818	\$+ 2,420,228

INVESTMENT SECURITIES OWNED - PAR VALUE (Note 1)

TABLE 5

December 31, 1962

Kind	Pledged	Unpledged	Total	Dividends and Interest Accrued
Stocks:				
Albany Passenger Terminal Company (Note 2).....	\$ 60,000	\$	\$ 60,000	\$
Atlanta Terminal Company (Note 2).....	50,000	.....	50,000	2,000
Augusta & Summerville Railroad Co. (Note 2).....	50,000	.....	50,000	.....
Birmingham Terminal Company (Note 2).....	25,000	.....	25,000	20
Central of Georgia Motor Transport Company.....	.....	266,000	266,000	.....
Chatham Terminal Company (Note 2).....	25,000	.....	25,000	.....
Empire Land Company.....	.....	300,000	300,000	200,000
Fruit Growers Express Company.....	.....	256,700	256,700	.....
Macon Terminal Company (Note 2).....	33,300	.....	33,300	.....
Ocean Steamship Company of Savannah (Note 2).....	1,999,200	.....	1,999,200	299,880
Pullman Company.....	.....	31,890	31,890	3,189
Railway Express Agency, Incorporated (Note 3).....	.....	600	600	.....
The South Western Railroad Company (Note 4).....	3,912,667	144,000	4,056,667	.....
The South Western Railroad Company (Note 2).....	1,025,433	.....	1,025,433	.....
Wrightsville & Tennille Railroad Co.—Common.....	.....	278,375	278,375	.....
Wrightsville & Tennille Railroad Co.—Preferred.....	.....	70,000	70,000	.....
Miscellaneous.....	.....	360	360	.....
Trailer Train Company.....	.....	500	500	.....
Total Stocks.....	7,180,600	1,348,425	8,529,025	505,089
Bonds and Receiver's Certificates:				
U. S. Treasury Bonds.....	.....	1,500	1,500	38
Georgia and Florida Railroad Company Bonds.....	.....	2,936,500	2,936,500	.....
Georgia and Florida Railroad Company Rec. Certif. ....	.....	13,000	13,000	715
Total Bonds and Receiver's Certificates.....	.....	2,951,000	2,951,000	753
Notes:				
Augusta and Summerville Railroad Company.....	.....	6,794	6,794	.....
Empire Land Company.....	.....	2,316,283	2,316,283	.....
†Max L. Kuniansky.....	.....	8,333	8,333	313
†Louisville and Wadley Railway Company.....	.....	16,400	16,400	532
Railway Express Agency, Incorporated.....	.....	173,493	173,493	8,675
†Wadley Southern Railroad Company.....	.....	64,800	64,800	1,200
Wrightsville and Tennille Railroad Company.....	.....	224,000	224,000	.....
Total Notes.....	.....	2,810,103	2,810,103	10,720
Advances:				
Affiliated Companies:				
Albany Passenger Terminal Company.....	.....	48,867	48,867	809
Atlanta Terminal Company.....	.....	161,874	161,874	4,000
Augusta and Summerville Railroad Company.....	.....	2,559	2,559	.....
Birmingham Terminal Company.....	.....	302,349	302,349	9,350
Central of Georgia Motor Transport Company.....	.....	31,001	31,001	7,725
Central of Georgia Railway Company—Hospital Department.....	.....	163,040	163,040	4,642
Chatham Terminal Company.....	.....	3,222	3,222	.....
Empire Land Company.....	.....	2,303,020	2,303,020	199,820
†Savannah and Atlanta Railway Company.....	.....	742,973	742,973	.....
Others—Planters Rural Telephone Cooperative Service, Dover, Ga.....	.....	40	40	.....
Total Advances.....	.....	3,758,945	3,758,945	226,346
Grand Total.....	\$ 7,180,600	\$ 10,868,473	\$ 18,049,073	\$ 742,908

†Amounts due in 1963 included in Account 704.

Notes:

(1) The book value of the investment securities listed above is summarized on the balance sheet (page 12) as follows:

Investments in affiliated companies:

Stocks.....	\$ 7,826,704	
Other secured obligations.....	2,376,283	
Unsecured notes.....	180,287	
Advances.....	3,758,906	\$ 14,142,180

Other Investments:

Stocks.....	\$ 261	
Bonds and receiver certificates.....	551,930	
Other secured obligations.....	89,533	
Advances.....	40	\$ 641,764

(2) The First Mortgage has a first lien and the General Mortgage has a second lien on these stocks.

(3) \$600 represents book value—stock has no par value.

(4) Ocean Steamship Company of Savannah has a first lien, the First Mortgage has a second lien, and the General Mortgage has a third lien on this stock.

See pages 20-25 for equities in subsidiary companies.

LONG TERM DEBT AND INTEREST

For the Year Ended December 31, 1962

TABLE 6

Name and Character of Obligation	Date of Issue	Date of Maturity	Amount of Authorized Issue	Outstanding At Close of Year	Amount Maturing During Year 1963	Interest Provisions		Amount of Interest Accrued During Year
						Rate	Dates Due	
Mortgage Bonds:								
First Mortgage Series "A"	Jan. 1, 1948	Jan. 1, 1995	\$11,853,300	\$10,789,300	\$† 59,266	4%	Jan.—July	\$ 431,862
General Mortgage (Income) Series "A"	Jan. 1, 1948	Jan. 1, 2020	1,736,000	126,200	‡ 70,366	4½%	{ May 1 when earned	6,458
General Mortgage (Income) Series "B"	Jan. 1, 1948	Jan. 1, 2020	12,542,400	12,539,800	.....	4½%		564,291
Total Mortgage Bonds			26,131,700	23,455,300	129,632			1,002,611
Equipment Obligations:								
Equipment Trust Certificates:								
Central of Georgia Equipment Trust—Series "W"	May 1, 1952	May 1, 1967	2,325,000	775,000	155,000	3¾%	May—Nov.	26,867
Central of Georgia Equipment Trust—Series "X"	Nov. 1, 1952	Nov. 1, 1967	2,775,000	925,000	185,000	3¾%	May—Nov.	36,421
Central of Georgia Equipment Trust—Series "Y"	Sept. 1, 1953	Sept. 1, 1968	5,460,000	2,184,000	364,000	3¾%	Mar.—Sept.	87,965
Central of Georgia Equipment Trust—Series "Z"	Aug. 1, 1954	Aug. 1, 1969	2,655,000	1,239,000	177,000	2½%	Feb.—Aug.	38,589
Central of Georgia Equipment Trust—Series "A"	Mar. 1, 1955	Mar. 1, 1970	930,000	496,000	62,000	3¾%	Mar.—Sept.	15,823
Central of Georgia Equipment Trust—Series "B"	Feb. 1, 1956	Feb. 1, 1971	4,680,000	2,652,000	312,000	3¾%	Feb.—Aug.	89,570
Central of Georgia Equipment Trust—Series "C"	Nov. 1, 1956	Nov. 1, 1971	840,000	504,000	56,000	4½%	May—Nov.	24,821
Central of Georgia Equipment Trust—Series "D"	June 1, 1957	June 1, 1972	2,550,000	1,615,000	170,000	5%	June—Dec.	86,417
Conditional Sales or Lease Agreements:								
Favor Morgan Guaranty Trust Company:								
Combined ten old agreements	April 1, 1951	April 1, 1966	3,151,000	375,242	180,000	3½%	Monthly	16,021
New agreement for equipment	April 1, 1951	April 1, 1966	4,852,561	586,185	252,332	3½%	Monthly	25,964
Conditional Sale Agreement No. 1	Aug. 1, 1957	Sept. 25, 1972	1,037,500	691,667	69,167	5½%	Mar.—Sept.	39,891
Conditional Sale Agreement No. 2	Aug. 1, 1957	Aug. 1, 1972	1,037,500	691,667	69,167	5½%	Feb.—Aug.	39,310
Conditional Sale Agreement No. 3	Aug. 1, 1957	Aug. 1, 1972	622,500	386,622	41,500	5½%	Feb.—Aug.	22,025
Conditional Sale Agreement No. 4	Aug. 1, 1957	Aug. 1, 1972	3,500,000	2,261,702	233,333	5½%	Feb.—Aug.	129,594
Conditional Sale Agreement No. 5	Aug. 1, 1957	Aug. 1, 1972	1,452,500	949,198	96,833	5½%	Feb.—Aug.	53,981
Conditional Sale Indebtedness Agreement	Mar. 1, 1960	Mar. 1, 1975	2,605,200	2,171,000	173,680	5¾%	Mar.—Sept.	128,994
Conditional Sale Agreement (Pullman, Inc.)	May 1, 1961	July 1, 1976	1,000,000	933,333	66,667	5%	Jan.—July	47,500
Note:								
Citizens and Southern National Bank	Sept. 11, 1961	Sept. 10, 1971	1,246,197	1,106,717	124,620	5½%	Mar.—Sept.	64,110
Total Equipment Obligations			42,719,958	20,543,333	2,788,299			973,863
Amounts Payable to Affiliated Companies:								
Open Account—Ocean Steamship Company of Savannah	Oct. 27, 1953		2,584,500	.....	.....			.....
	Nov. 17, 1953		350,000	2,934,500	.....			.....
Total			2,934,500	2,934,500	.....			.....
†Grand Total			\$71,786,158	\$46,933,133	\$ 2,917,931			\$ 1,976,474

* \$61,131 charged to operations, \$28,439 to Savannah and Atlanta Rwy. Co.

† None pledged as collateral.

‡ Sinking fund requirements.

ANALYSIS OF EQUIPMENT TRUST OBLIGATIONS AND EQUIPMENT PURCHASE AGREEMENTS For the Year Ended December 31, 1962

TABLE 7

	Equipment	Original Issue	Paid Prior to January 1, 1962	Paid During Year ended Dec. 31, 1962	Outstanding Dec. 31, 1962	Maturities
Equipment Trust "W" May 1, 1952 3 1/4%	6-1200 horsepower SW-2 Diesel Electric Switching locomotives with Multiple Unit Control Nos. 148-150 Inc. 15-Alco-GE 1500 horsepower Diesel Electric Switching locomotives Nos. 133-146, 147 with steam generator	\$ 2,325,000	\$ 1,395,000	\$ 155,000	\$ 775,000	May 1, 1963 May 1, 1967
Equipment Trust "X" November 1, 1952 3%	3-1600 horsepower Diesel Electric Road-Switcher locomotives equipped with steam generators Nos. 148-150 Inc. 9-1600 horsepower Diesel Electric Road-Switcher locomotives without steam generators Nos. 151-159 Inc. 12-1200 horsepower Diesel Electric Switching locomotives with steam generators Nos. 307-318 Inc. 50-70 ton Covered hopper cars Nos. 1375-1424 Inc. 1013-50 ton PS-1 type box cars Nos. 7300-8299 and 6200-6212 50-70 ton Covered hopper cars Nos. 1425-1474 Inc. 5-125 ton depressed center flat cars 1-Model SD-7, six motor, 1500 horsepower Diesel Electric Freight locomotive—No. 201	2,775,000	1,665,000	185,000	925,000	Nov. 1, 1963 Nov. 1, 1967
Equipment Trust "Y" September 1, 1953 3%	50-70 ton Covered hopper cars Nos. 1375-1424 Inc. 50-70 ton Covered hopper cars Nos. 1425-1474 Inc. 5-125 ton depressed center flat cars 1-Model SD-7, six motor, 1500 horsepower Diesel Electric Freight locomotive—No. 201	5,460,000	2,915,000	364,000	2,184,000	Sept. 1, 1963 Sept. 1, 1968
Equipment Trust "Z" August 1, 1954 2 1/2%	500-50 ton 50'6" box cars with 9' side doors, Nos. 5500-5999 Inc.	2,655,000	1,239,000	177,000	1,239,000	Aug. 1, 1963 Aug. 1, 1969
Equipment Trust "A" March 1, 1955 3 1/4%	6-Model SD-9, 1750 horsepower, six motor, six axle, Diesel Electric Freight locomotives Nos. 202-207 Inc.	930,000	372,000	62,000	496,000	Mar. 1, 1963 Mar. 1, 1970
Equipment Trust "B" February 1, 1956 3 1/4%	500-50 ton 50'6" PS-1 type box cars with 9-foot doors Nos. 1500-1999 Inc. 300-50 ton 40'6" PS-1 type box cars with 8-foot doors bearing Savannah & Atlanta Ry. Co. Road Nos. 200-499 Inc. 25-70 ton PS-2 Covered hopper cars Nos. 1475-1499 Inc. 20-70 ton depressed center flat cars with cast steel underframes, Nos. 11800-11819 Inc.	4,680,000	1,716,000	312,000	* 2,652,000	Semi-Annually Feb. 1, 1963 Feb. 1, 1971
Equipment Trust "C" November 1, 1956 4 1/4%	6-1750 horsepower Model GP-9 Diesel Electric Road Switching locomotives Nos. 160 to .35 Inc. 5-70 ton 65'6" drop end Gondola cars Nos. 16001-16005 Inc.	840,000	280,000	56,000	504,000	Semi-Annually May 1, 1963 Nov. 1, 1971
Equipment Trust "D" June 1, 1957 5%	5-1750 horsepower Model GP-9 Diesel Electric Road Switching locomotives Nos. 166-170 Inc. 50-70 ton, 2853 cubic feet PS-2 Covered hopper cars Nos. 900-949 Inc. 200-70 ton, 2003 cubic feet PS-2 Covered hopper cars Nos. 1000-1149 Inc. 2-Diesel Switching locomotives Nos. 33 and 34 and stainless steel Covered hopper cars Nos. 1000-1149 Inc. Coach—Fort Oglethorpe and Fort McPherson Passenger-Baggage—Fort Mitchell Tavern Observation—Fort Benning 200-Pulpwood cars Nos. 10295 to 10464 Inc. 3-1500 horsepower Diesel Freight locomotives Nos. 901-909 Inc. 3-1500 horsepower Diesel Freight locomotives Nos. 809-810 Inc. 3-1000 horsepower Diesel Switching locomotives Nos. 35, 36 and 37 7-1500 horsepower Diesel Electric Road Switching locomotives Nos. 101-107 Inc. 3-1600 horsepower Diesel Electric Road Switching locomotives Nos. 108-110 Inc. 2-2250 horsepower Diesel Passenger locomotives Nos. 811-812 Inc.	2,550,000	765,000	170,000	1,615,000	Semi-Annually June 1, 1963 June 1, 1972
Equipment Purchase Agreement April 1, 1957 15 1/2% on all installment payments to April 1, 1958 and 3 1/4% thereafter	13-1500 horsepower Model GP-7 Diesel Electric Road Switching locomotives with steam generator Nos. 120-132 Inc. 9-1600 horsepower Alco Diesel Electric Road Switching locomotives Nos. 111-119 Inc. 25-70 ton All Steel Covered hopper cars Nos. 1390-1574 Inc. 200-50 ton All Steel Gondola cars, 18 Nos. 800-819 Inc.; 5 Nos. 19501-19505 Inc. 300-50 ton 40'6" All Steel box cars Nos. 7000-7299 Inc.	3,151,000	2,595,758	180,000	375,242	Monthly to Feb. 1, 1965
Conditional Sale Agreement No. 1 August 1, 1957 5 1/2%	125-70 ton Triple hopper cars Nos. 22001-22125 Inc.	1,037,500	276,667	69,166	691,667	Semi-Annually March 25, 1963 Sept. 25, 1972
Conditional Sale Agreement No. 2 August 1, 1957 5 1/2%	125-70 ton Triple hopper cars Nos. 22126-22250 Inc.	1,037,500	276,667	69,166	691,667	Semi-Annually Feb. 1, 1963 Aug. 1, 1972
Conditional Sale Agreement No. 3 August 1, 1957 5 1/2%	75-70 ton Triple hopper cars Nos. 22251-22325 Inc.	622,500	194,378	41,500	386,622	Semi-Annually Feb. 1, 1963 Aug. 1, 1972
Conditional Sale Agreement No. 4 August 1, 1957 5 1/2%	500-50 ton 40'6" PS-1 box cars Nos. 8300-8799 Inc.	3,500,000	881,846	256,452	2,261,702	Semi-Annually Feb. 1, 1963 Aug. 1, 1972
Conditional Sale Agreement No. 5 August 1, 1957 5 1/2%	175-70 ton Triple hopper cars Nos. 22326-22500 Inc.	1,432,500	406,469	96,833	949,198	Semi-Annually Feb. 1, 1963 Aug. 1, 1972
Conditional Sale Indentures March 1, 1960 5 1/4%	8-1800 horsepower Model GP-18 Diesel Electric Road Switching locomotives Nos. 171-178 Inc. 60-90 ton PS-2 covered hopper cars with roller bearings and steel wheels Nos. 1200-1299 Inc. 40-70 ton PS-2 covered hopper cars with roller bearings and steel wheels Nos. 960-999 Inc.	2,805,200	260,520	173,680	2,171,000	Semi-Annually March 1, 1963 March 1, 1975
Conditional Sale Indentures (Pulman, Incorp.) May 1, 1961 5%	75-All steel triple hopper cars—3,818 cubic ft. capacity with roller bearings and steel wheels Nos. 25001-25075 Inc.	1,000,000		66,667	933,333	Semi-Annually Jan. 1, 1963 July 1, 1976
Note The Citizens and Southern National Bank Sept. 11, 1961 5 1/4%	327-50 ton 40'6" steel sheeted box cars, Nos. 310 to 636 Inc.	1,246,197	7,622	131,858	1,106,717	Semi-Annually March 10, 1963 Sept. 10, 1971
	Total	\$42,719,558	\$ 19,289,377	\$ 2,887,248	\$ 20,543,333	

PAYMENTS MATURING IN YEARS ENDING:			
December 31, 1963	\$ 2,788,299	December 31, 1968	\$ 2,015,966
December 31, 1964	2,788,888	December 31, 1969	1,631,966
December 31, 1965	2,472,141	December 31, 1970	1,337,500
December 31, 1966	2,355,966	December 31, 1971	1,242,105
December 31, 1967	2,355,966	December 31, 1972	716,202
		TOTAL	\$20,543,333

* The balance outstanding includes \$842,095 due from Savannah and Atlanta Railway Company (payable \$49,532 semi-annually), for 300 box cars purchased for them under Equipment Trust "B."

CONSOLIDATED INCOME ACCOUNT

TABLE 8

Consolidated Income Account and Consolidated Retained Income—Unappropriated,
December 31, 1962 - December 31, 1961 and Income Account and Retained Income—
Unappropriated of Each Subsidiary Before Intercompany Eliminations

Item No.	Item	Consolidated Totals After Intercompany Eliminations		Central of Georgia Railway Company	Savannah & Atlanta Railway Company	Ocean Steamship Company of Savannah
		Year 1962	Year 1961			
	I. OPERATING INCOME					
	A. Railway Operating Income					
1	Operating revenues	\$ 49,510,074	\$ 47,512,957	\$ 43,582,526	\$ 4,933,527	\$
2	Operating expenses	43,125,957	40,451,015	38,754,046	3,540,986	.....
3	Net revenue from operations	6,384,117	7,061,942	4,828,480	1,392,541	.....
4	Tax accruals	3,711,535	3,970,813	3,293,467	284,739	.....
5	OPERATING INCOME	2,672,582	3,091,129	1,535,013	1,107,802	.....
	B. Rent Income					
6	Hire of freight cars—Credit balance	563,237	564,559		663,211	.....
7	Rent from locomotives	149,904	153,162	155,452	452	.....
8	Rent from passenger train cars	431,893	466,364	431,893		.....
9	Rent from work equipment	12,704	10,191	12,579	125	.....
10	Joint facility rent income	245,008	185,427	244,358		.....
11	Total rent income	1,402,746	1,379,703	844,282	663,788	.....
	C. Rents Payable					
12	Hire of freight cars—Debit balance	1,250,701	1,451,329	420,332	907,868	.....
13	Rent for locomotives	127,202	122,203	124,464	2,738	.....
14	Rent for passenger train cars	397,539	398,359	397,539		.....
15	Rent for work equipment	43,995	23,144	32,304	11,691	.....
16	Joint facility rent deductions	416,036	387,443	395,464	19,672	.....
17	Total rents payable	2,235,473	2,382,478	1,370,103	941,969	.....
18	Net rents	832,727	1,002,775	525,821	278,181	.....
19	NET RAILWAY OPERATING INCOME	1,839,855	2,088,354	1,009,192	829,621	.....
	II. OTHER INCOME					
20	Revenue from miscellaneous operations	154,793	158,928			.....
21	Income from lease of road and equipment	36,600	36,600	36,600		.....
22	Miscellaneous rent income	140,470	129,348	114,906	4,652	.....
23	Income from non-operating property	55,516	79,442	48,758	6,599	.....
24	Dividend income	5,209	2,977	505,089		.....
25	Interest income	291,013	333,024	405,455	7,996	105,137
26	Miscellaneous income	768,277	733,790	444,332	16,520	123,106
27	Total other income	1,451,878	1,474,109	1,555,140	35,767	228,243
28	TOTAL INCOME	3,291,733	3,562,463	2,564,332	865,388	228,243
	III. MISCELLANEOUS DEDUCTIONS FROM INCOME					
29	Expenses of miscellaneous operations	139,857	150,085			12,050
30	Miscellaneous rents	83	83	83		.....
31	Miscellaneous tax accruals	74,807	155,991	9,020	74	4,497
32	Miscellaneous income charges	300,569	66,903	183,787	12,111	92,262
33	Total miscellaneous deductions	515,316	373,062	192,890	12,185	108,809
34	INCOME AVAILABLE FOR FIXED CHARGES	2,776,417	3,189,401	2,371,442	853,203	119,434
	IV. FIXED CHARGES					
35	Rent for leased road and equipment	7,936	6,086	11,206	20,000	.....
36	Interest on funded debt:					
37	Mortgage bonds	423,884	427,266	432,641	7,561	.....
38	Equipment obligations, notes and advances	994,912	1,053,007	945,424	49,089	.....
39	Amortization of discount on funded debt	15,819	17,226	15,819		.....
40	Total fixed charges	1,442,551	1,503,585	1,405,090	76,650	.....
41	INCOME AFTER FIXED CHARGES	1,333,866	1,685,816	966,352	776,553	119,434
	V. OTHER DEDUCTIONS					
42	Interest on funded debt:					
43	Contingent interest	489,157	498,089	569,970		.....
	NET INCOME TRANSFERRED TO RETAINED INCOME—UNAPPROPRIATED	844,709	1,187,727	396,382	776,553	119,434
	RETAINED INCOME—UNAPPROPRIATED					
	Credits					
44	Balance at beginning of year	29,132,487	28,055,880	17,254,147	5,208,138	4,927,966
45	Balance transferred from income (Item 43)	844,709	1,187,727	396,382	776,553	119,434
46	Profit from sale of property	98,201		98,201		.....
47	TOTAL CREDITS	30,075,397	29,243,607	17,748,730	5,984,691	5,047,400
	Debits					
48	Dividends	3,405	3,315		160,435	300,000
49	Loss on sale or retirement of property	52,548	18,030	52,548		.....
50	Other debits to retained income	540,657			540,657	.....
51	Appropriations for sinking funds	90,818	89,775		90,818	.....
52	TOTAL DEBITS	687,428	111,120	52,548	791,910	300,000
53	Retained income—unappropriated at end of year	\$ 29,387,969	\$ 29,132,487	\$ 17,696,182	\$ 5,192,781	\$ 4,747,400

NOTE: The 1961 figures have been restated to exclude Louisville and Wadley Railroad Company and Wadley Southern Railway Company. The physical properties of both companies were sold and both companies were dissolved during 1962.

CONSOLIDATED INCOME ACCOUNT

TABLE 8

Consolidated Income Account and Consolidated Retained Income—Unappropriated,
December 31, 1962 - December 31, 1961 and Income Account and Retained Income—
Unappropriated of Each Subsidiary Before Intercompany Eliminations

Central of Georgia Motor Transport Company	Empire Land Company	Port- Wentworth Corporation	Crossgate Homes Incorporated	Midland Properties Company	South Western Railroad Company	Wrightsville and Tennille Railroad Company	Terminal Development Company	Item No.
\$ 815,297	\$	\$	\$	\$	\$	\$ 178,724	\$	1
688,093	.....	.....	.....	.....	.....	141,832	.....	2
127,204	.....	.....	.....	.....	.....	36,892	.....	3
119,358	.....	.....	.....	.....	254	13,717	.....	4
7,846	.....	.....	.....	.....	D 254	23,175	.....	5
.....	.....	.....	.....	.....	.....	.....	.....	6
.....	.....	.....	.....	.....	.....	.....	.....	7
.....	.....	.....	.....	.....	.....	.....	.....	8
.....	.....	.....	.....	.....	.....	.....	.....	9
.....	.....	.....	.....	.....	.....	650	.....	10
.....	.....	.....	.....	.....	.....	650	.....	11
.....	.....	.....	.....	.....	.....	.....	.....	12
.....	.....	.....	.....	.....	.....	22,475	.....	13
.....	.....	.....	.....	.....	.....	12,000	.....	14
.....	.....	.....	.....	.....	.....	.....	.....	15
.....	.....	.....	.....	.....	.....	900	.....	16
.....	.....	.....	.....	.....	.....	35,375	.....	17
.....	.....	.....	.....	.....	.....	34,725	.....	18
7,846	.....	.....	.....	.....	D 254	D 11,550	.....	19
.....	.....	138,983	7,602	8,208	.....	.....	5,000	20
.....	18,497	20,000	.....	.....	3,270	.....	.....	21
.....	.....	.....	.....	.....	.....	2,415	.....	22
.....	407,685	227,750	.....	.....	.....	159	.....	23
2,882	26,817	4,796	2,097	27,134	13,381	.....	1	24
.....	77,510	60,253	40,592	5,391	.....	573	.....	25
2,882	530,509	451,782	50,291	40,733	16,651	3,147	5,001	26
10,728	530,509	451,782	50,291	40,733	16,397	D 8,403	5,001	27
.....	.....	.....	.....	.....	.....	.....	.....	28
.....	4,377	96,482	17,798	3,850	.....	.....	5,300	29
.....	27,998	24,303	1,869	7,201	.....	17	172	30
955	8,069	275	237	.....	256	.....	2,617	31
955	40,444	121,060	19,904	11,051	256	17	7,745	32
9,773	490,065	330,722	30,387	29,682	16,141	D 8,420	D 2,744	33
.....	.....	.....	.....	.....	.....	.....	.....	34
.....	.....	.....	.....	.....	.....	.....	.....	35
7,732	.....	.....	399	.....	.....	11,200	.....	36
.....	.....	.....	.....	.....	.....	.....	.....	37
7,732	.....	.....	399	.....	.....	11,200	.....	38
2,041	490,065	330,722	29,988	29,682	16,141	D 19,620	D 2,744	39
.....	.....	.....	.....	.....	.....	.....	.....	40
.....	.....	.....	.....	.....	.....	.....	.....	41
.....	.....	.....	.....	.....	.....	.....	.....	42
2,041	490,065	330,722	29,988	29,682	16,141	D 19,620	D 2,744	43
.....	.....	.....	.....	.....	.....	.....	.....	44
Dr. 21,479	336,615	901,902	54,543	395,829	575,018	Dr. 508,127	Dr. 7,935	45
2,041	490,065	330,722	29,988	29,682	16,141	Dr. 19,620	Dr. 2,744	46
Dr. 19,438	826,680	1,232,624	84,531	425,511	591,159	Dr. 527,747	5,191	47
.....	.....	.....	.....	.....	.....	.....	.....	48
.....	200,000	400,000	75,000	.....	3,285	.....	.....	49
.....	.....	.....	.....	.....	.....	.....	.....	50
.....	.....	.....	.....	.....	.....	.....	.....	51
.....	200,000	400,000	75,000	.....	3,285	.....	.....	52
\$ Dr. 19,438	\$ 626,680	\$ 832,624	\$ 9,531	\$ 425,511	\$ 587,874	\$ Dr. 527,747	\$ 5,191	53

D—Denotes Deficit
Italics Denotes Credit

CONSOLIDATED BALANCE SHEET

TABLE 9

Consolidated Balance Sheet, December 31, 1962 - December 31, 1961 and
Balance Sheet of Each Subsidiary Before Intercompany Eliminations

ASSETS

ASSETS

Item No.	Assets	Consolidated Totals After Intercompany Eliminations		Central of Georgia Railway Company	*Savannah & Atlanta Railway Company	Ocean Steamship Company of Savannah
		Year 1962	Year 1961			
	Current Assets:					
1	Cash.....	\$ 3,799,542	\$ 4,342,824	\$ 2,571,192	\$ 562,546	\$ 49,555
2	Temporary cash investments.....	6,727,545	7,033,287	4,729,815	299,491	162,618
3	Special deposits.....	662,069	962,602	463,210	195,648	
4	Loans and notes receivable.....	79,961	66,546	112,930		
5	Net balances receivable from agents and conductors.....	916,598	841,649	727,603	186,884	
6	Miscellaneous accounts receivable.....	1,350,474	1,512,194	1,221,034	17,506	
7	Interest and dividends receivable.....	60,050	40,764	247,807	1,437	98,128
8	Accrued accounts receivable.....	930,837	835,585	921,232	7,696	
9	Working fund advances.....	31,491	36,991	30,365	785	
10	Prepayments.....	64,214	115,409	34,188	13,703	
11	Material and supplies.....	2,993,207	3,041,865	2,671,496	303,591	
12	Other current assets.....	59,899	63,825	59,389	470	
13	Total Current Assets.....	17,675,887	18,893,541	13,790,261	1,589,757	310,301
	Special Funds:					
14	Sinking funds.....	1,328	640	66	1,262	
15	Capital and other reserve funds.....	101,636	169,624	96,411	5,225	
16	Insurance and other funds.....	2,479	2,137		2,479	
17	Total Special Funds.....	105,443	172,401	96,477	8,966	
	Investments:					
18	Investments in affiliated companies.....	1,437,608	1,483,423	14,142,180	854,960	4,438,934
19	Other investments.....	2,971,266	3,167,827	641,764		2,000,000
20	Total Investments.....	4,408,874	4,651,250	14,783,944	854,960	6,438,934
	Properties:					
21	Road and equipment property.....	163,276,205	176,165,376	138,611,076	10,302,932	
22	Improvements on leased property.....	395,348	374,165	300,706	94,642	
23	Acquisition adjustment—Cr.....		13,000,303			
24	Donations and grants—Cr.....		1,132,091			
25	Total transportation property.....	163,671,553	162,407,147	138,911,782	10,397,574	
26	Accrued depreciation—Road and equipment—Cr.....	42,995,435	40,304,058	39,049,261	2,754,172	
27	Accrued amortization of defense projects—Road and equipment—Cr.....	7,804,467	7,886,904	7,804,467		
28	Total transportation property less recorded depreciation and amortization.....	112,871,651	114,216,185	92,058,054	7,643,402	
29	Miscellaneous physical property.....	4,767,034	4,759,229	1,830,218	135,039	
30	Accrued depreciation—Miscellaneous physical property—Cr.....	532,568	509,349	197,226	46,117	
31	Total Properties Less Recorded Depreciation and Amortization.....	117,106,117	118,466,065	93,691,046	7,732,324	
	Other Assets and Deferred Charges:					
32	Other assets.....	606,259	254,785	284,491	321,568	
33	Unamortized discount on long-term debt.....	103,772	116,775	103,772		
34	Other deferred charges.....	1,379,349	968,211	887,195	23,911	282
35	Total Other Assets and Deferred Charges.....	2,089,380	1,339,771	1,275,458	345,479	282
36	Grand Total Assets.....	\$ 141,385,701	\$ 143,523,028	\$ 123,637,186	\$ 10,531,486	\$ 6,749,517

NOTE: The 1961 figures have been restated to exclude Louisville and Wadley Railroad Company and Wadley Southern Railway Company. The physical properties of both companies were sold and both companies were dissolved during 1962.

Italics Denote Credits

* Subsidiaries owned through Empire Land Company.

CONSOLIDATED BALANCE SHEET

TABLE 9

Consolidated Balance Sheet, December 31, 1962 - December 31, 1961 and
Balance Sheet of Each Subsidiary Before Intercompany Eliminations

ASSETS

Central of Georgia Motor Transport Company	Empire Land Company	*Port Wentworth Corporation	*Crossgate Homes Incorporated	*Midland Properties Company	South Western Railroad Company	Wrightsville and Tennille Railroad Company	*Terminal Development Company	Item No.
\$ 46,331	\$ 334,231	\$ 86,197	\$ 20,363	\$ 36,168	\$ 22,810	\$ 66,097	\$ 4,052	1
93,124	314,254	3,269	17,989	856,985	250,000			2
3,211								3
	66,094							4
						2,111		5
80,309	1,358	6,092	260	101,767	3,784	2,040	2	6
	10,989				7,106			7
						1,909		8
		300				41		9
9,136	80	5,272	993			842		10
5,012		1,498				11,610		11
						40		12
237,123	727,006	102,628	39,605	994,920	283,700	84,690	4,054	13
								14
								15
								16
								17
								18
	3,304,779	893,164						19
	205,346				124,156			20
	3,510,125	893,164			124,156			21
713,745					13,274,314	374,138		22
								23
								24
713,745					13,274,314	374,138		25
476,294					665,187	50,521		26
								27
237,451					12,609,127	323,617		28
	1,880,041	430,562	59,829	286,386		9,486	135,473	29
	15,296	214,680	32,733				26,516	30
237,451	1,864,745	215,882	27,096	286,386	12,609,127	333,103	108,957	31
								32
						200		33
2,644	455,653		138		250,258	9,526		34
2,644	455,653		138		250,258	9,726		35
\$ 477,218	\$ 6,557,529	\$ 1,211,674	\$ 66,839	\$ 1,281,306	\$ 13,267,241	\$ 427,519	\$ 113,011	36

Italics Denote Credits

* Subsidiaries owned through Empire Land Company.

CONSOLIDATED BALANCE SHEET

TABLE 9

Consolidated Balance Sheet, December 31, 1962 - December 31, 1961 and
Balance Sheet of Each Subsidiary Before Intercompany Eliminations

LIABILITIES

Item No.	Liabilities and Shareholders' Equity	Consolidated Totals After Intercompany Eliminations		Central of Georgia Railway Company	*Savannah & Atlanta Railway Company	Ocean Steamship Company of Savannah
		Year 1962	Year 1961			
	Current Liabilities:					
37	Traffic and car-service balances—Cr.....	\$ 1,377,897	\$ 1,781,337	\$ 759,040	\$ 582,352	\$
38	Audited accounts and wages payable.....	1,582,813	1,231,061	1,285,031	306,267	743
39	Miscellaneous accounts payable.....	614,389	625,531	587,213	15,649	134
40	Interest matured unpaid.....	270,769	271,048	278,783	.....	.....
41	Dividends matured unpaid.....	1,672	1,559	.....	.....	.....
42	Unmatured interest accrued.....	766,234	793,941	841,136	20,750	.....
43	Accrued accounts payable.....	2,863,894	2,342,245	2,771,449	84,941	.....
44	Federal income taxes accrued.....	.....	392,229	.....	.....	.....
45	Other taxes accrued.....	279,411	273,161	255,907	9,500	1,240
46	Other current liabilities.....	603,257	607,669	547,102	55,635	.....
47	Total Current Liabilities.....	8,360,336	8,319,781	7,325,661	1,075,094	2,117
	Long-Term Debt Due Within One Year—					
48	Equipment obligations and other debt.....	3,154,176	3,126,704	2,917,931	306,562	.....
	Long-Term Debt (Due After One Year):					
49	Funded debt unmatured.....	21,244,721	21,440,481	23,325,668	187,000	.....
50	Equipment obligations.....	18,541,409	20,699,082	17,755,034	786,375	.....
51	Amounts payable to affiliated companies.....	.....	.....	2,934,500	742,972	.....
52	Total Long-Term Debt (Due After One Year).....	39,786,130	42,139,563	44,015,202	1,716,347	.....
	Reserves:					
53	Insurance reserves.....	33,086	.....	33,086	.....	.....
	Other Liabilities and Deferred Credits:					
54	Other liabilities.....	127,806	245,632	103,316	.....	.....
55	Other deferred credits.....	530,862	593,487	316,598	2,049	.....
56	Accrued depreciation—Leased property.....	227,163	228,340	456,448	20,973	.....
57	Total Other Liabilities and Deferred Credits.....	885,831	1,067,459	876,362	23,022	.....
	Shareholders' Equity:					
	Capital stock:					
58	Common.....	33,723,600	33,722,675	33,724,200	604,000	1,999,200
59	Preferred.....	17,039,400	17,039,400	17,039,400	708,700	.....
60	Total.....	50,763,000	50,762,075	50,763,600	1,312,700	1,999,200
61	Minority interest in subsidiaries' capital stock.....	361,425	363,100	.....	.....	800
62	Total capital stock.....	51,124,425	51,125,175	50,763,600	1,312,700	2,000,000
	Capital Surplus:					
63	Paid-in.....	185,149	185,149	9,162	175,987	.....
64	Other.....	355,464	355,464	.....	.....	.....
65	Total.....	540,613	540,613	9,162	175,987	.....
66	Writeup of invested capital.....	7,486,032	7,486,032	.....	.....	.....
67	Recess of equities in subsidiary companies over investments therein.....	125,241	76,312	.....	.....	.....
68	Total.....	7,360,791	7,409,720	.....	.....	.....
	Retained Income:					
69	Appropriated.....	752,344	661,526	.....	728,993	.....
70	Unappropriated.....	29,387,969	29,132,487	17,696,182	5,192,781	4,747,400
71	Total retained income.....	30,140,313	29,794,013	17,696,182	5,921,774	4,747,400
72	Total Shareholders' Equity.....	89,166,142	88,869,521	68,468,944	7,410,461	6,747,400
73	Grand Total Liabilities and Shareholders' Equity.....	\$ 141,385,701	\$ 143,523,028	\$ 123,637,186	\$ 10,531,486	\$ 6,749,517

NOTE: The 1961 figures have been restated to exclude Louisville and Wadley Railroad Company and Wadley Southern Railway Company. The physical properties of both companies were sold and both companies were dissolved during 1962.
Italics Denote Debits
* Subsidiaries owned through Empire Land Company.

CONSOLIDATED BALANCE SHEET

TABLE 9

Consolidated Balance Sheet, December 31, 1962 - December 31, 1961 and
Balance Sheet of Each Subsidiary Before Intercompany Eliminations

LIABILITIES

Central of Georgia Motor Transport Company	Empire Land Company	*Port Wentworth Corporation	*Crossgate Homes Incorporated	*Midland Properties Company	South Western Railroad Company	Wrightsville and Tennille Railroad Company	*Terminal Development Company	Item No.
\$	\$	\$	\$	\$	\$	\$ 36,505	\$	37
56,851	200,699	8,256	958		218	5,598		38
8,323						2,072		39
					1,635	56,000		40
						37		41
								42
3,075						4,429		43
								44
7,455		3,395	303		382	1,229		45
						520		46
75,704	200,699	11,651	1,261		2,235	106,390		47
	27,652		1,094					48
			4,953					49
154,504	5,169,701			663,607		224,000	97,820	50
154,504	5,169,701		4,953	663,607		224,000	97,820	51
								52
								53
448	24,042							54
	208,755	1,935				1,525		55
								56
448	232,797	1,935				1,525		57
266,000	300,000	10,000	50,000	1,000	5,082,100	278,375	10,000	58
						70,000		59
266,000	300,000	10,000	50,000	1,000	5,082,100	348,375	10,000	60
					109,000	251,625		61
266,000	300,000	10,000	50,000	1,000	5,191,100	600,000	10,000	62
				191,188				63
		355,464						64
		355,464		191,188				65
					7,486,032			66
								67
					7,486,032			68
19,438	626,680	832,624	9,531	425,511	587,874	23,351		69
19,438	626,680	832,624	9,531	425,511	587,874	527,747	5,191	70
						504,396	5,191	71
246,562	926,680	1,198,088	59,531	617,699	13,265,006	95,604	15,191	72
\$ 477,218	\$ 6,557,529	\$ 1,211,674	\$ 66,839	\$ 1,281,306	\$ 13,267,241	\$ 427,519	113,011	73

Italics Denote Debits

* Subsidiaries owned through Empire Land Company.

CLASSIFICATION OF REVENUE FREIGHT

For the Years Ended December 31, 1962 and 1961

TABLE 10

Commodity	1962		1961		+ Increase — Decrease	Per Cent	
	Number of Tons (2,000 Lbs.)	Per Cent of Total	Number of Tons (2,000 Lbs.)	Per Cent of Total			
Products of Agriculture:							
Wheat, corn, oats and other grain.....	143,049	0.71	119,214	0.63	+	23,835	19.99
Flour and meal.....	230,520	1.14	220,910	1.17	+	9,610	4.35
Other mill products.....	54,761	0.27	67,380	0.36	—	12,619	18.73
Hay, straw and alfalfa.....	1,133	0.01	1,436	0.01	—	303	21.10
Tobacco.....	3,110	0.02	3,193	0.02	—	83	2.60
Cotton.....	292,254	1.45	275,415	1.46	+	16,839	6.11
Peaches.....	7,034	0.03	12,040	0.06	—	5,006	41.58
Oranges, lemons and pineapples.....	23,955	0.12	28,420	0.15	—	4,465	15.71
Watermelons.....	778	0.01	787	0.01	—	9	1.14
Other fruits.....	34,017	0.17	30,954	0.16	+	3,063	9.90
Vegetables, dried fruits and potatoes.....	133,032	0.66	132,577	0.70	+	455	0.34
Cotton seed.....	3,309	0.02	2,865	0.01	+	444	15.50
Cotton seed meal and hulls.....	20,714	0.10	17,750	0.09	+	2,964	16.70
Other products of agriculture.....	161,608	0.80	135,322	0.72	+	26,286	19.42
Peanuts.....	74,262	0.37	67,849	0.36	+	6,413	9.45
Total.....	1,183,536	5.88	1,116,112	5.91	+	67,424	6.04
Animals and Products:							
Live stock.....	435	0.01	675	0.01	—	240	35.56
Fresh meats.....	32,583	0.16	38,903	0.20	—	6,320	16.25
Other packing house products.....	28,018	0.14	34,861	0.18	—	6,843	19.63
Poultry, game and fish.....	3,076	0.01	3,434	0.02	—	358	10.43
Wool.....	3,137	0.01	4,135	0.02	—	998	24.14
Hides and leather.....	1,719	0.01	3,216	0.02	—	1,497	46.55
Other products of animals.....	6,042	0.03	4,091	0.02	+	1,951	47.69
Total.....	75,010	0.37	89,315	0.47	—	14,305	16.02
Products of Mines:							
Bituminous coal.....	1,734,295	8.61	1,647,622	8.72	+	86,673	5.26
Coke.....	17,220	0.09	19,307	0.10	—	2,087	10.81
Ores.....	485,228	2.41	420,613	2.23	+	64,615	15.36
Clay, gravel, sand and stone.....	5,328,538	26.48	4,941,419	26.15	+	387,119	7.83
Other products of mines.....	971,727	4.83	949,299	5.02	+	22,428	2.36
Total.....	8,537,008	42.42	7,978,260	42.22	+	558,748	7.00
Products of Forests:							
Lumber.....	435,902	2.17	420,105	2.22	+	15,797	3.76
Rosin and turpentine.....	10,957	0.05	12,720	0.07	—	1,763	13.86
Other products of forests.....	419,648	2.09	295,442	1.57	+	124,206	42.04
Pulpwood.....	2,463,402	12.24	2,254,344	11.93	+	209,058	9.27
Total.....	3,329,909	16.55	2,982,611	15.79	+	347,298	11.64
Manufactures and Miscellaneous:							
Refined petroleum and its products.....	450,159	2.24	439,453	2.33	+	10,706	2.44
Cotton seed oil.....	70,045	0.35	62,635	0.33	+	7,410	11.83
Other oils.....	95,902	0.48	80,685	0.43	+	15,217	18.86
Sugar, syrup, glucose and molasses.....	121,220	0.60	117,935	0.62	+	3,285	2.79
Iron—pig and bloom.....	43,367	0.22	47,453	0.25	—	4,086	8.61
Rails and fastenings.....	2,491	0.01	314	0.01	+	2,177	693.31
Other castings and machinery.....	110,992	0.55	105,866	0.56	+	5,126	4.84
Bar and sheet metal.....	280,686	1.40	253,276	1.34	+	27,410	10.82
Cement.....	464,943	2.31	608,832	3.22	—	143,889	23.63
Brick.....	222,977	1.11	202,230	1.07	+	20,747	10.26
Lime.....	17,371	0.09	18,777	0.10	—	1,406	7.49
Agricultural implements, vehicles other than automobiles.....	24,251	0.12	25,023	0.13	—	772	3.09
Automobiles and auto trucks.....	242,023	1.20	119,442	0.63	+	122,581	102.63
Household goods and furniture.....	36,145	0.18	31,204	0.16	+	4,941	15.83
Cotton factory products.....	32,120	0.16	39,443	0.21	—	7,323	18.57
Fertilizer.....	1,056,955	5.25	984,364	5.21	+	72,591	7.37
Fertilizer materials.....	139,853	0.69	136,810	0.72	+	3,043	2.22
Other manufactures.....	3,560,085	17.69	3,425,700	18.13	+	134,385	3.92
Total.....	6,971,585	34.65	6,699,442	35.45	+	272,143	4.06
Grand Total, Carload Traffic.....	20,097,048	99.87	18,865,740	99.84	+	1,231,308	6.53
All Less Carload Freight.....	25,838	0.13	30,760	0.16	—	4,922	16.00
Grand Total, Carload and Less Carload Traffic.....	20,122,886	100.00	18,896,500	100.00	+	1,226,386	6.49

